

## 4 Long Beach Residents and Workers: Who are we?

### 4.1 Long Beach Residents

A closer look at the characteristics of Long Beach residents can help inform the economic development strategy. This section looks at ethnicity, income, education, poverty, and other key indicators.

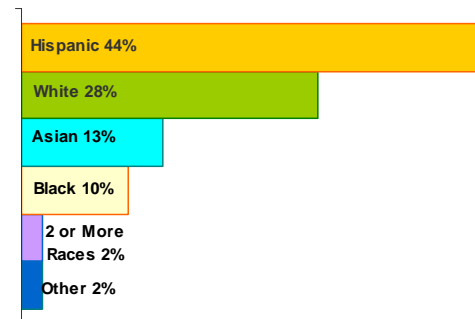
#### 4.1.1 POPULATION TRENDS AND ETHNICITY

Long Beach is the fifth largest city in California. With 475,460 residents in 2003, the Long Beach population has increased by 11 percent since 1990. By comparison, the State's population increased by 19 percent.

Long Beach is credited as one of the most ethnically diverse communities in California. Long Beach has become even more diverse over the past 15 years, largely due to rapid growth of the Hispanic population. For example, between 1990 and 2003, the Hispanic population rose from 23 percent to 44 percent, while White residents dropped from 39 to 28 percent. Black residents declined from 14 to 10 percent, while the Asian population grew from 12 to 13 percent.

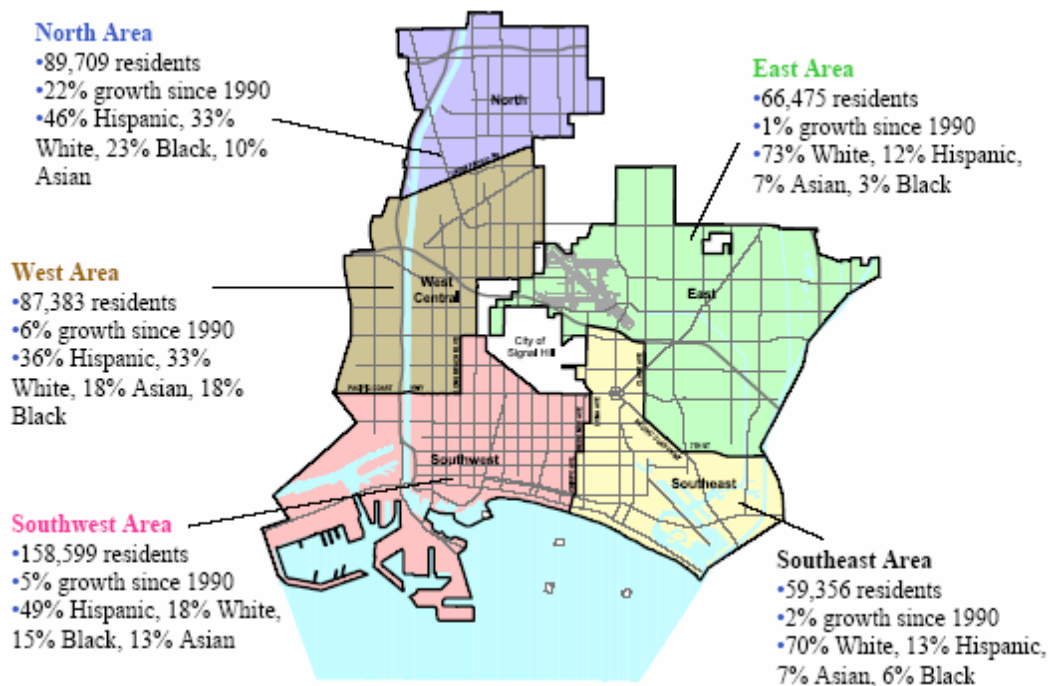
While Long Beach is very ethnically diverse, some areas of the City have higher concentrations of certain ethnic groups. For example, the North area of the City has the highest concentration of Black residents, the Southwest area has a fairly large concentration of Hispanic residents, and the East and Southeast areas have large concentrations of White residents. (Please see Figure 4 for additional detail)

Figure 3: Ethnicity, 2003



Source: Census, 2003

Figure 4: Population, Growth and Race by Area, Long Beach 1999



Source: Census, 2000

#### 4.1.1.1 Implications for Economic Development Strategy

- Long Beach's ethnic diversity should provide a competitive advantage for trade and business growth opportunities in Pacific Rim countries and Latin America.
- Language barriers and culturally specific business practices (such as producing and selling products to specific ethnic groups or participating in economic enclaves of ethnic groups) are part of the Long Beach economy, and economic development should emphasize outreach to Hispanic, Asian and Black business owners.

### 4.1.2 EDUCATION

Education is one of the strongest predictors of earning power. However, in 2000, 27 percent of Long Beach adults had less than a high school diploma and only 24 percent had a bachelors degree or higher. As shown in Table 4, education performance is particularly low in North and Southwest Long Beach, with 39 and 42 percent of adults without a high-school diploma respectively.

**Table 4: Educational Attainment for adults 25 and over, Long Beach, 2000**

	California	Long Beach	North Area	West Central	South West	East	South East
No High School Diploma	23%	27%	39%	27%	42%	7%	7%
High School Graduate	20%	19%	23%	21%	18%	18%	13%
Some College, No Degree	23%	23%	24%	24%	19%	27%	24%
Associates Degree	7%	7%	6%	7%	5%	10%	9%
Bachelors, Graduate, Professional Degree	27%	24%	9%	21%	15%	37%	48%
Total Population 25+ Years	21,298,900	277,410	47,458	52,795	86,658	45,923	44,576

Source: Census, 2000

Between 2000 and 2003 the educational attainment of residents living in Long Beach increased, perhaps because high housing costs are displacing lower-income and lower-education residents. Whatever the cause, the proportion of Long Beach residents with a bachelor's degree or higher increased from 24 to 26 percent.

People with lower levels of educational attainment often have lower incomes, and are more likely to live in poverty. As shown in Table 5, the poverty rate increases as education falls, thus in Long Beach 35.7 percent of families in which no parents has a high school degree are poor, while only 4 percent of households with a parent with a Bachelors Degree are poor.

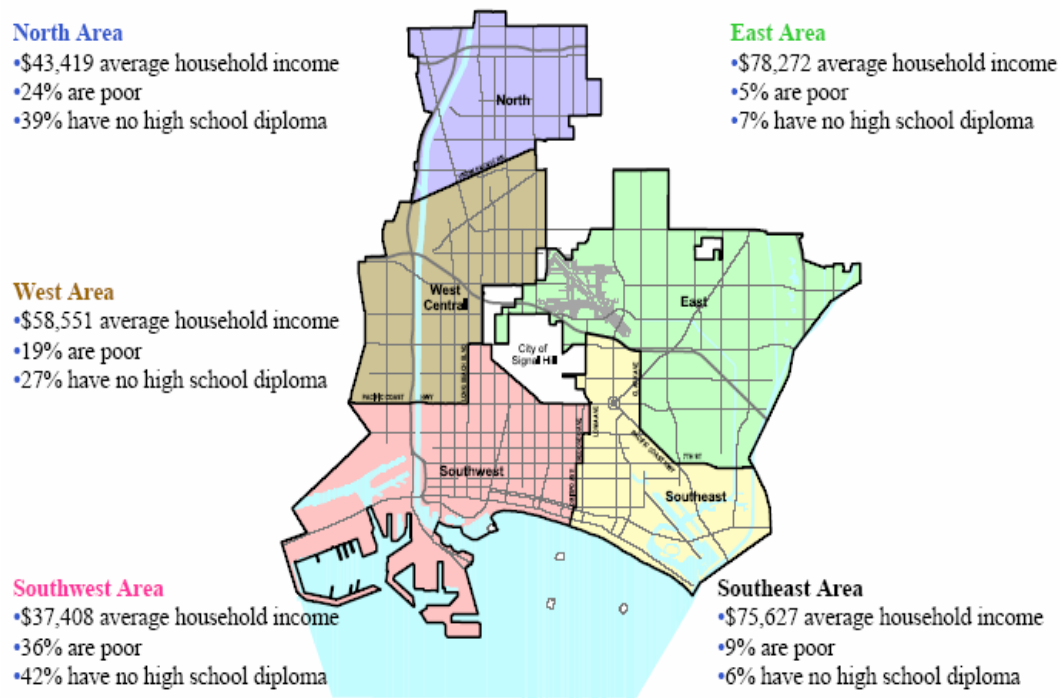
**Table 5: Poverty Rate of Families, by Education of Householder, 1999**

	Percent in Poverty	
	Long Beach	California
High school Dropout	35.7%	23.8%
High school Graduate/GED	22.0%	11.9%
1-4 years of college, no bachelor's degree	11.5%	6.8%
Bachelors Degree or higher	4.0%	2.8%
All Households	19.3%	10.6%

Source: Census, 2000

People with lower levels of educational have lower incomes, and are more likely to live in affordable areas. As indicated previously in Table 4, the Southwest and North areas of Long Beach have a very high proportion of adults without a high school diploma. Forty-two percent of adults in the Southwest and 39 percent of adults in North Long Beach do not have a high school diploma. These areas also have the highest poverty rates in the City. By contrast, the Eastside and Southeast areas of Long Beach have the highest proportion of adults with a college degree and higher incomes overall.

Figure 5: Income, Poverty and Education by Area, Long Beach 2000



Source: Census, 2000

#### 4.1.2.1 Long Beach Youth and Education

Long Beach has a sizable youth population. In 2000, 108,000 school-age children lived in Long Beach. Indeed, fully 29 percent of the population was under 17 years of age. In 2000, six percent of residents were enrolled in high school, and 18 percent were enrolled in nursery school, preschool, kindergarten, or grade school.

Today's youth are tomorrow's workers. A relatively high proportion, 21 percent, of Long Beach youth (age 16-24) were high school dropouts in 2000, however, some ethnic groups have much higher dropout rates. As shown in Table 6, 36 percent of Hispanic youths were high school dropouts, while only 7 percent of White youth dropped out of school.

Table 6: Percent of 16-24 Year Olds who were High School Dropouts in 1999

	Long Beach	Los Angeles	California
All Youth	21%	24%	17%
White Youth	7%	6%	7%
Non-Hispanic Black Youth	14%	16%	13%
Hispanic Youth	36%	36%	30%
Males	24%	27%	19%
Females	18%	21%	14%

Source: Census 2000, Center for Labor Market Studies Northeastern University; 2002

The proportion of Hispanic and Black youth (16-24 year olds) who are both unemployed and not in school is also relatively high. One fourth of Black and Hispanic youth are both unemployed and not in school.

**Table 7: Percent of 16-24 Year Olds, Not in School and Not Employed, 1999**

	Long Beach	Los Angeles	California
All Youth	19%	20%	16%
White Youth	8%	10%	10%
Non-Hispanic Black Youth	24%	22%	20%
Hispanic Youth	27%	25%	22%
Males	18%	17%	13%
Females	21%	22%	18%

Source: Census 2000, Center for Labor Market Studies Northeastern University; 2002

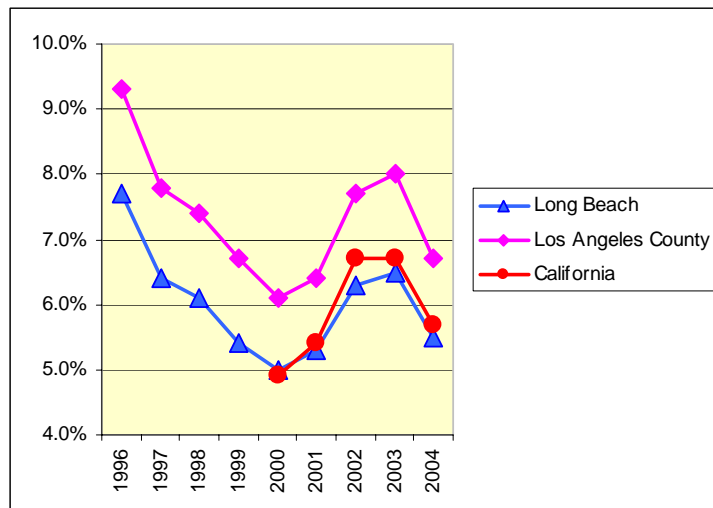
#### 4.1.2.2 Implications for Jobs and Business Strategy

- The creation and attraction of new entry-level positions for residents without high-school diplomas will be critical to the future success of this rapidly growing segment of Long Beach's residents.
- Growth of economic sectors that offer opportunities for advancement, through on-the-job and vocational education, are key to meeting the needs of Long Beach's disadvantaged youth.
- The high-school graduation rate of minority students, especially Hispanic and Black youth, must be improved to reduce long-term poverty rates in Long Beach.
- School-to-career programs, which emphasize vocational training, are key to student retention and ultimate success in the workforce.
- Programs that support work placement and internships for Long Beach youth should improve long-term youth employability and reduce unemployment and drop-out rates.

#### 4.1.2.3 Unemployment of Long Beach Residents

The official unemployment rate for Long Beach residents mirrors State trends in unemployment and is consistently lower than unemployment in Los Angeles County (see Figure 6). However, a larger proportion of Long Beach residents are long-term discouraged workers, who are no longer looking for employment, and these individuals are not counted in official statistics.

**Figure 6: Unemployment, Long Beach 1996-2004**



Source: BLS, 2004

### 4.1.3 LONG BEACH RESIDENTS' EMPLOYMENT SECTORS

Long Beach residents work in a variety of industries and economic clusters both within and outside of Long Beach. Table 8 describes the workplace sectors of Long Beach residents; it does not describe the actual jobs in the City of Long Beach. Long Beach **job data** will be explored later in **Chapter 5**. Long Beach residents are more likely to work within the education, health, social services, technology/manufacturing, and trade than residents of Los Angeles County, indicating a slight specialization of Long Beach residents in these industries.

**Table 8: Long Beach and L.A. County, Working Residents by Industry Cluster, 2000**

	Long Beach		Los Angeles	
	Number	Percent	Number	Percent
Education, Health and Social Services	39,982	21%	265,613	17%
Manufacturing	27,248	14%	202,277	13%
Trade, Transportation, Warehousing	21,253	11%	121,858	8%
Professional & Business services	20,240	11%	197,876	13%
Retail Trade	19,445	10%	158,118	10%
Tourism, Arts & Leisure	16,272	9%	147,462	10%
Finance, Insurance, Real Estate	11,246	6%	108,032	7%
Other services	10,192	5%	105,037	7%
Construction	9,627	5%	81,032	5%
Total Employment	189,487	100%	1,532,074	100%

Source: Census, 2000; MJC, 2004

### 4.1.4 OCCUPATIONS OF LONG BEACH RESIDENTS

Long Beach residents are engaged in similar occupations to Los Angeles County residents as indicated in Table 9. Long Beach residents are slightly more likely to work in transportation and moving materials occupations and slightly less likely to work on professional and sales related occupations.

**Table 9: Occupations of Long Beach and LA County Residents, 2000**

	Long Beach		Los Angeles County	
	Residents	%	Residents	%
1) Professional and related occupations	39,573	21%	331,087	22%
2) Office and administrative support occupations	30,710	16%	234,544	15%
3) Management, business, and financial operations occupations	25,487	13%	193,353	13%
4) Sales and related occupations	20,806	11%	175,152	11%
5) Production occupations	15,057	8%	150,806	10%
6) Transportation and material moving occupations	12,910	7%	81,562	5%
7) Food preparation and serving related occupations	9,366	5%	72,940	5%
8) Construction and extraction occupations	7,820	4%	71,710	5%
9) Installation, maintenance, and repair occupations	6,829	4%	45,851	3%
10) Building and grounds cleaning and maintenance occupations	6,662	4%	74,319	5%
Total	189,487	100%	1,532,074	100%

Source: Census, 2000; MJC 2004

#### 4.1.4.1 Implications for Jobs and Business Strategy

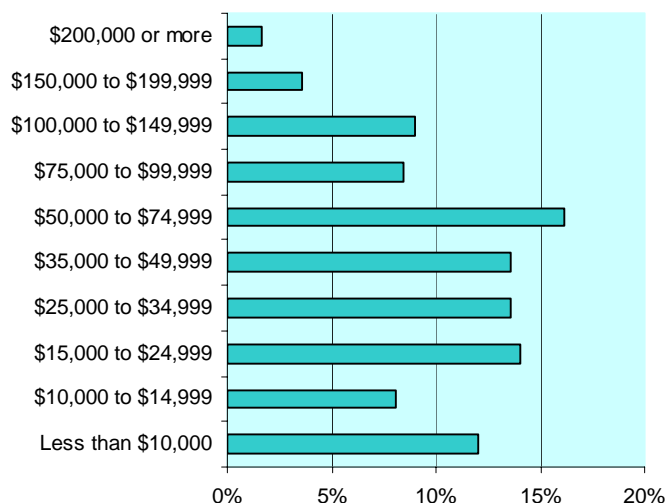
- Long Beach may have a slight competitive advantage for attracting and retaining firms in education, health, manufacturing and trade as Long Beach's residential workforce is well matched to these sectors.
- Long Beach has a robust distribution of occupations among residents, one that mirrors that of Los Angeles County and is well positioned to compete with Los Angeles for a wide array of businesses.

#### 4.1.5 RESIDENT INCOME

Over the past ten years, average household purchasing power has remained flat in Long Beach. Real median household income has remained virtually constant at \$54,104 per household (in 2003 constant dollars), while it has risen nationwide by about \$5,000 per household.

- In 2003, 19,786 households or (12 percent) of household earned less than \$10,000.
- Fully 48 percent of households earned less than \$35,000 per year. By comparison only 40 percent of California households earned less than \$35,000 per year in 2003.
- In 2003, 14 percent of households earned more than \$100,000, up from 6 percent in 1990.
- In 2003, for every household that made over \$100,000, there were 3.4 households that made under \$35,000.

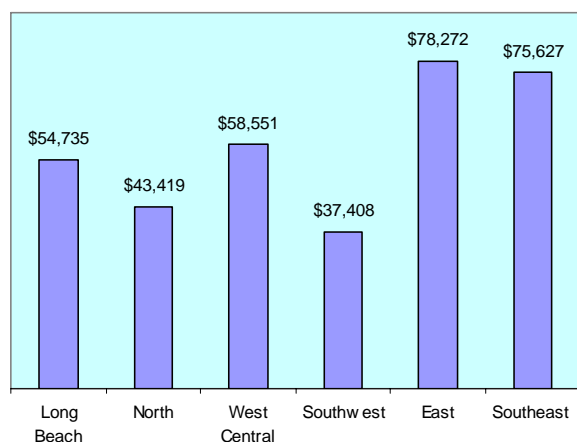
**Figure 7: Long Beach Household Income Distribution, 2003**



Source: Census, 2003

Median family income varies from one area of the city to another, with higher incomes in the east and southeast, and lower incomes in the southwest and north, as shown in Figure 8.

**Figure 8: Median Family Income by Area, Long Beach 2000**



Source: Census, 2000

#### 4.1.5.1 Poverty

A recent report by the U.S Census<sup>2</sup> found that the proportion of people living in poverty grew from 16.2 percent in 1990 to 24.1 percent in 2003. By comparison, just 13.4 percent of all Californians live in poverty. In Long Beach poverty is highest among Hispanic, Black, and Native populations (see Table 10). Hispanic residents are the fastest growing segment of the Long Beach population. Much of the growth in poverty can be attributed to a significant growth in the number of Hispanic children living in poverty. Indeed, fully half of all the poor are children. (A family of four with an income of less than \$18,810 is considered poor.)

In 2000, half of poor householders were working, while 21 percent were unemployed. By comparison, 74 percent of non-poor householders were working while only three percent were unemployed.

Poverty is more prevalent in some areas of the City than others: The Southwest, North and West Central areas have relatively high concentrations of poverty and higher rates of poverty among children than the East and Southeast side of town (see Table 11). These areas are also more ethnically diverse and have lower levels of education attainment.

**Table 11: Percent of People Living in Poverty 1999**

	Long Beach	North	West Central	South west	East	South east
Individuals	22%	24.1%	18.9%	35.8%	4.7%	9.0%
Children Under 18	32%	30.9%	27.2%	47.5%	4.9%	7.8%

Source: Census, 2000

**Table 10: Long Beach Poverty by Race, 2000**

	Number	Percent
White	29,538	15%
Black	20,296	30%
American Indian/ Alaska Native	1,019	28%
Asian	13,730	25%
Native Hawaiian/Other Pacific Islander	1,918	38%
Other Race*	30,660	33%
2 or more races	6,273	25%
Hispanic Or Latino**	50,080	31%

Source: Census, 2000

\* Most other race individuals are Hispanic (the census does not provide a category for brown skin people).

\*\* Hispanics can be any race, so the total does not equal 100%

Source: Census, 2000

#### 4.1.5.2 Implications for Jobs and Business Strategy

- A disappearing middle class has important implications for City governance and the city's economy.
- The growth of a large poor Hispanic population, which has in the past tended to be somewhat culturally isolated from both the politics and the economy of the City, will at some point change the City's political and economic landscape.
- Poverty is a pressing concern for a high proportion of Long Beach children.

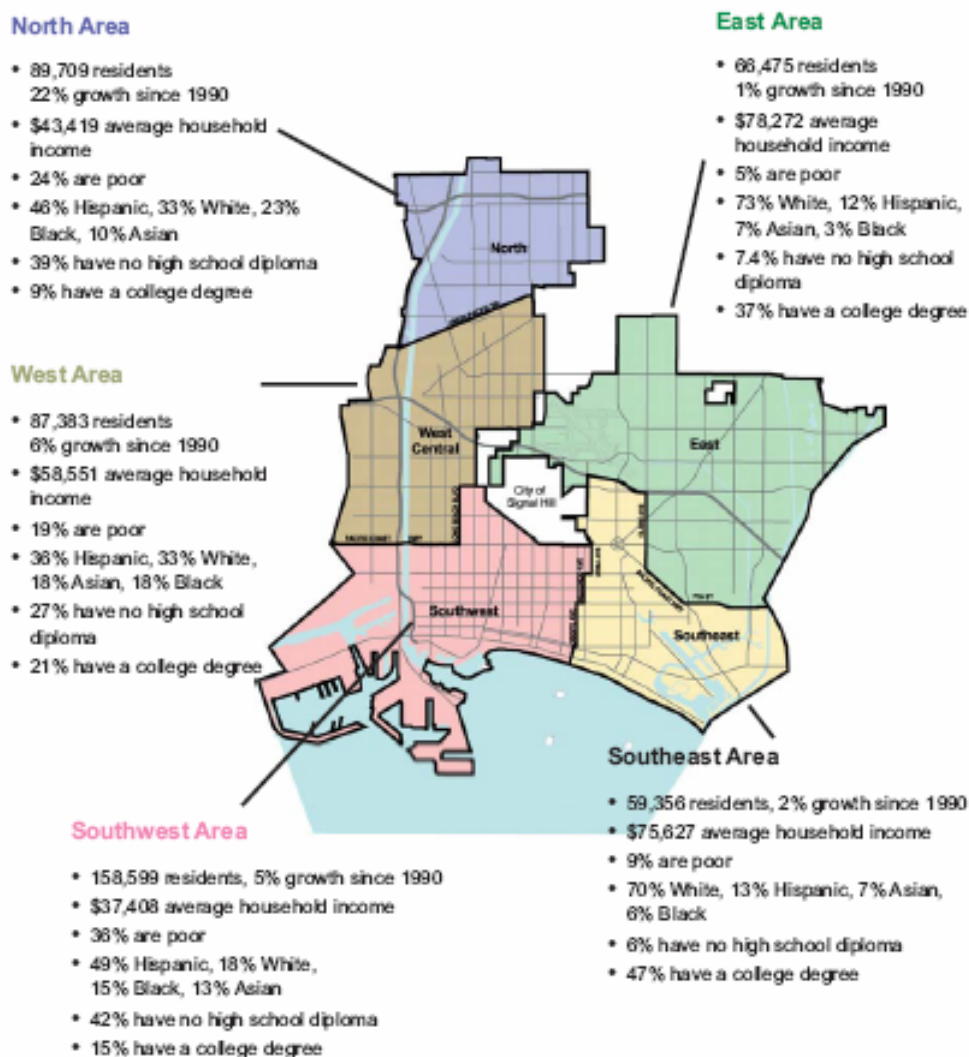
<sup>2</sup> Income Poverty and Health Insurance Coverage in the United States, U.S. Census, 2003



#### 4.1.6 RESIDENT SUMMARY

Race, education, income and poverty are all interconnecting factors in both individual, family and neighborhood experiences in Long Beach. As shown in Figure 9 below, Southwest Long Beach is more diverse, has lower education attainment, lower incomes and higher poverty rates than other areas of the city. Conversely, Southeast Long Beach has the highest education attainment, higher incomes, lower poverty and less diversity than other areas of the City.

Figure 9: Income, Poverty, Race and Education by Area, Long Beach CA



Source: Census, 2000

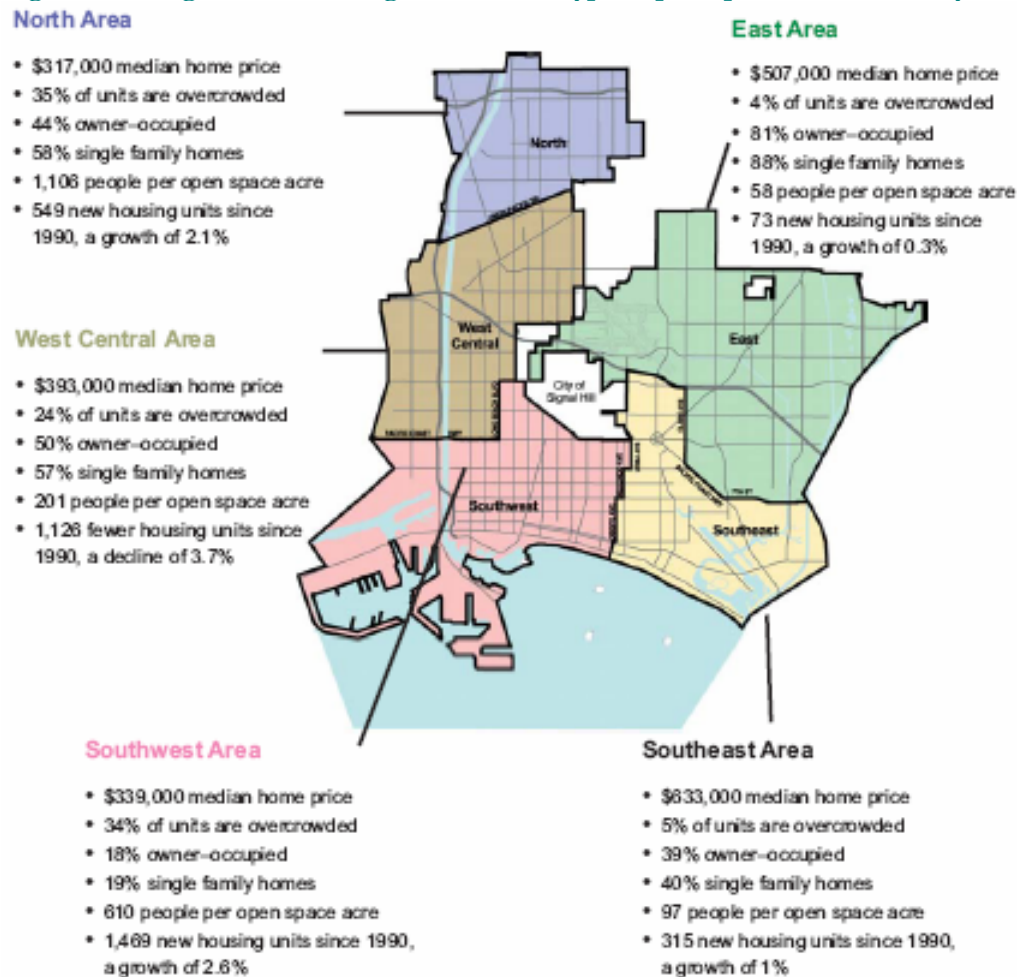


## 4.2 Long Beach Housing Trends

Housing is important to economic development activities because housing costs can significantly impact the cost of living in a community, and therefore the attractiveness of that community to employers and workers. High housing costs can reduce the competitive advantage of a community for certain types of employers, particularly those for whom labor costs are of significant concern. Likewise, rapidly increasing housing costs can result in the out-migration of lower-income residents and/or overcrowding of housing as lower-income families share housing. Like all California cities, Long Beach has recently experienced a rapid increase in housing costs.

- The median price for a single family home in Long Beach jumped to \$453,000 in December 2004, an increase of 37 percent from June 2003. By comparison, the median price paid for a Southern California home was up 26 percent to \$406,000 during the same period.
- The median price for a condominium in Long Beach was \$296,000 in December 2004, an increase of 21 percent over 2003 prices.
- Only 12 percent of Long Beach households can afford a median priced home, and only 31 percent can afford a median priced condo.

**Figure 10: Long Beach Housing Costs, Unit Type, Open Space, New Units by Neighborhood, 2004**



Source: Census, 2000, Data Quick 2005

Rents are also up, increasing by a dramatic 116 percent from \$532 in 1999 to \$1,150 in 2002. Forty-seven percent of households cannot “afford” a median priced rental unit. The benchmark of affordability is if a family spends less than 30 percent of their income on rent. Thus many Long Beach families must spend more than 30 percent of their income on rent.

Long Beach housing costs have caught up to housing costs in surrounding communities (see Table 12).

**Table 12: Median Price Homes & Condos, December 2004**

Community	Single Family	
	Homes	Condos
Bellflower	\$ 410,000	\$ 300,000
Carson	\$ 418,772	\$ 342,444
Lakewood	\$ 432,514	\$ 285,000
Long Beach	\$ 453,411	\$ 296,730
Compton	\$ 272,791	\$ 180,000
Huntington Beach	\$ 634,350	\$ 475,305
Seal Beach	\$ 733,000	\$ 340,000
Signal Hill	\$ 640,000	\$ 333,000

Source: Dataquick, 2005

#### 4.2.1.1 Housing Development Trends

Long Beach has 172,000 housing units. Single family homes make up 46 percent while apartments and town-homes comprise 52 percent of all units.<sup>3</sup> Between 1990 and 2002, 4,711 total new housing units were added to Long Beach, an increase of 2.7 percent, far below the 10.7 percent increase in total population. Major new developments (proposed, under construction and/or recently completed) include:

- *Park at Harbor View*, a \$250 million multi-phase, mixed-use development of 538 apartments, 246 condominiums, a 500-room hotel, office, and retail space.
- *Ocean Villas*, a \$100 million luxury high-rise residential development at 350 East Ocean Boulevard, will consist of 17-story twin towers containing 556 condominium units, and is nearly completed.
- *City Place* offers 350 units of market rate housing for rent and for sale.
- The proposed *West Gateway* mixed-use development will feature ground-level neighborhood-serving retail and 800 to 1,000 residential units on a seven block area.
- *The Grisham Project*, a North Long Beach rehabilitation project of 96 units.
- *Renaissance Walk*, this Southwest project is comprised of 40 affordable single-family homes.
- *Douglas Park*, a mixed-use project, recently approved by City Council, will include over 1,000 market rate single family homes, condos, townhouses and 400 apartment and senior units.

#### 4.2.1.2 Implications for Economic Development

- Rising housing costs will change the demographic characteristics of Long Beach over the long term by displacing lower-income people and families. However, gentrification tends to take some time as low-income residents struggle to remain in the community.
- Rising housing costs will impact some economic sectors. For example, high housing costs may negatively impact economic sectors which pay low-wages, such as tourism and administrative services, and these are Long Beach’s fastest growing business sectors. Likewise in very tight job markets, such as that of health workers, high housing costs make it ever more difficult for firms to attract highly-skilled employees with many employment and location options.

<sup>3</sup> Mobile homes, trailers, boats and RVs make up the remaining two percent.